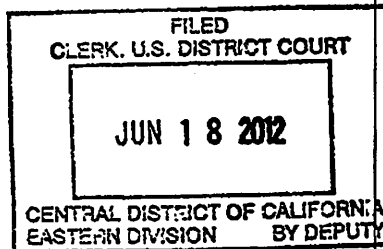


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Attorneys for Plaintiff, LINCOLN GENERAL
 INSURANCE COMPANY

COPY

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA – EASTERN DIVISION

LINCOLN GENERAL INSURANCE
 COMPANY,

CV 12

CASE NO.

05263 GAF-OP

Plaintiff,

) PLAINTIFF'S COMPLAINT
) FOR DECLARATORY
) RELIEF

v.

CRESCENT GLASS, INC.; EASTON
 BUILDERS CORPORATION; VISION
 WEST INVESTMENTS, LLC; LAWRENCE
 PASTERNAK; LYNNETTE
 PASTERNAK; DOES 1 THROUGH 10,

) JURY TRIAL DEMANDED

Defendants.

COMES NOW Lincoln General Insurance Company ("Lincoln General"), by
 its attorneys, and states as follows for its Complaint for Declaratory Judgment, and
 hereby moves this Court for declaratory judgment, pursuant to 28 U.S.C. § 2201, *et*
seq., and Rule 57 of the Federal Rules of Civil Procedure.

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JURISDICTION AND VENUE

1. This Court has jurisdiction over this action pursuant to 28 U.S.C. §1332, insofar as there exists diversity of citizenship between the Plaintiff and all of the Defendants, and the matter in controversy, exclusive of interest and costs, is in excess of \$75,000.

2. This is an action for declaratory judgment pursuant to 28 U.S.C. § 2201, to determine a real and justiciable controversy between Lincoln General Insurance Company and the Defendants with respect to their rights and obligations, if any, under certain insurance contracts arising in connection with Easton Builders Corporation's claim for construction defects against Crescent Glass, Inc. relative to construction of a home in the City of Palm Desert, California for Lawrence and Lynette Pasternack.

3. Venue is appropriate pursuant to 28 U.S.C. §§84 and 1391 because a substantial part of the events involving the construction project and the claim occurred in Riverside County, California, within the United States District Court of the Central District of California.

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PREFATORY COMMENT

4. This is a declaratory judgment action to determine Lincoln General's rights and obligations, if any, under Policy No. 632000481202 and Policy No. 634001177100 issued to its named insured, Crescent Glass, Inc. Lincoln General seeks a declaration from this Court regarding the extent of Lincoln General's rights and obligations, if any, under its policies for the claim asserted by Easton Builders Corporation for allegedly defective construction work. Easton Builders Corporation's claim arises out of a construction project of a residential home in the City of Palm Desert, California, which was later purchased by Lawrence and Lynette Pasternack (the "project" or "claim"). Easton Builders Corporation was the general contractor on the project and Crescent Glass, Inc. was hired as a sub-contractor for the project.

5. Lincoln General seeks a finding and declaration from this Court that it has no obligation under its insurance policies to defend and/or to indemnify Crescent

1 Glass, Inc., Easton Builders Corporation, or anyone else who is or may be claiming
2 rights or benefits under the policies, and that any declaration be binding against all of
3 the defendants and all other parties that may have claims arising out of the same
4 operative facts.

5 **PARTIES**

6 6. Plaintiff Lincoln General Insurance Company ("Lincoln General") is
7 incorporated under the laws of the Commonwealth of Pennsylvania, with its principal
8 place of business in York, Pennsylvania. Lincoln General was authorized to provide,
9 and did provide, insurance to businesses in California, including but not limited to,
10 Crescent Glass, Inc.

11 7. Defendant Crescent Glass, Inc. ("Crescent Glass") is a California
12 corporation, having its principal place of business in the City of Palm Desert,
13 Riverside County, California. Crescent Glass is authorized to and does conduct
14 business in California and is in the business of installation of windows in California.

15 8. Defendant Easton Builders Corporation ("Easton") is a California
16 corporation, having its principal place of business in the City of Palm Desert,
17 Riverside County, California. Easton is authorized to and does conduct business in
18 California and acts as a general contractor on construction projects.

19 9. Defendant Vision West Investments, LLC ("Vision West") is a California
20 limited liability company, having its principal place of business in the City of Palm
21 Desert, Riverside County, California. Vision West is authorized to and does conduct
22 business in California as a construction developer.

23 10. Defendant Lawrence Pasternack ("Pasternack") is a citizen of the State of
24 California. Pasternack is the current owner of the residential home which is the
25 subject of alleged construction defects.

26 11. Defendant Lynnette Pasternack ("Pasternack") is a citizen of the State of
27 California. Pasternack is the current or former owner of the residential home which is
28 the subject of alleged construction defects.

12. Doe Defendants the true names and capacities, whether individual, corporate, associate or otherwise are unknown to the Plaintiff at this time. Plaintiff is informed and believes and based thereon alleges that each of the defendants is or may be an interested party in the underlying claim and in this declaratory judgment action.

LINCOLN GENERAL INSURANCE POLICIES

13. Lincoln General Insurance Company issued two general liability policies to Crescent Glass, Inc. Lincoln General issued Policy No. 632000481202 for the period of July 4, 2006 to July 4, 2007 ("2006-2007 Policy") and Policy No. 634001177100 for the period of July 4, 2007 to July 4, 2008 ("2007-2008 Policy"). Both of these policies collectively will be referred to as the "Policies."

14. Each Lincoln General policy contained a \$1 million (\$1,000,000) per occurrence limit, an aggregate limit, and a deductible. The 2006-2007 Policy and 2007-2008 Policy contain many of the same terms, conditions, and provisions, many of which are set forth below.

15. Lincoln General Policy No. 632000481202 and Policy No. 634001177100 are subject to all of their terms, conditions, provisions, and exclusions, which are incorporated herein by reference as though set forth more fully at length herein. True and correct copies of Lincoln General Policy No. 632000481202 and Policy No. 634001177100 are attached hereto as Exhibits A and B, respectively.

16. The Policies, in the Contractors Amendatory Endorsement CLC-01/96, provide in pertinent part:

INSURING LANGUAGE – THIS POLICY ONLY APPLIES TO BODILY INJURY AND PROPERTY DAMAGE WHICH FIRST MANIFESTS DURING THE POLICY PERIOD

A. SECTION I – COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY.

"1. Insuring Agreement" is deleted in its entirety and replaced by the following:

1. Insuring Agreement

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a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result . . .

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b. This insurance applies to "bodily injury" and "property damage" only if:

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(1) The "bodily injury" and "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and

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(2) The "bodily injury" or "property damage" first manifests during the policy period. This insurance does not apply to any "bodily injury" or "property damage" that is continuous or progressively deteriorating and that first manifests prior to the effective date of this policy or after the expiration of this policy, even if such injury or damage continues or deteriorates during the time of this policy.

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d. For the purposes of this endorsement, "bodily injury" first manifests when it is medically diagnosed, and "property damage" first manifests at the time it is apparent to any person, including, but not limited to, an "insured," a "claimant," or a property owner. "Claimant" means a person or entity who makes a claim or brings a suit against an "insured."

....

e. In the event this policy is renewed and coverage extends for more than one term, the following applies:

(1) The most we will pay for “bodily injury” and “property damage” that is continuous or progressively deteriorating, and that first manifests during one of the periods of this policy, is the applicable limit of insurance available with respect to that one policy period.

17. The Policies, in Section V – Definitions, provide the following relevant definitions:

8. “Impaired property” means tangible property, other than “your product” or “your work”, that cannot be used or is less useful because:

- a. It incorporates “your product” or “your work” that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- a. The repair, replacement, adjustment or removal of “your product” or “your work”; or
- b. Your fulfilling the terms of the contract or agreement.

13. “Occurrence” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

16. “Products-completed operation hazard”:

- a. Includes all “bodily injury” and “property damage” occurring away from premises you own or rent and arising out of “your product” or “your work” except:

- (1) Products that are still in your physical possession; or

1 (2) Work that has not yet been completed or
2 abandoned. However, "your work" will be
3 deemed completed at the earliest of the following
4 times:

5 (a) When all of the work called for in your
6 contract has been completed.

7 (b) When all of the work to be done at the job
8 site has been completed if your contract
9 calls for work at more than one site.

10 (c) When that part of the work done at a job site
11 has been put to its intended use by any
12 person or organization other than another
13 contractor or subcontractor working on the
14 same project.

15 Work that may need service, maintenance, correction, repair or
16 replacement, but which is otherwise complete, will be treated as
17 completed.

18 **b.** Does not include "bodily injury" or "property damage"
19 arising out of:

20 (1) The transportation of property, unless the injury or
21 damage arises out of a condition in or on a vehicle
22 not owned or operated by you, and that condition
23 was created by the "loading or unloading" of that
24 vehicle by any insured;

25 (2) The existence of tools, uninstalled equipment or
26 abandoned or unused materials; or

27 (3) Products or operations for which the classification,
28 listed in the Declarations or in a policy schedule,
states that products-completed operations are
subject to the General Aggregate Limit.

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

21. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed by:
(a) You

22. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf;
and
(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
(2) The providing of or failure to provide warnings or instructions.

18. The Policies, in Section I- Coverages, Paragraph 2 Exclusions, provide i
pertinent part:

This insurance does not apply to:

j. Damage To Property

1 “Property damage” to:

2 ***

- 3 (5) That particular part of real property on which you or any
4 contractors or subcontractors working directly or
5 indirectly on your behalf are performing operations, if the
6 “property damage” arises out of those operations; or
- 7 (6) That particular part of any property that must be restored,
8 repaired or replaced because “your work” was incorrectly
9 performed on it.

10 ***

11 **k. Damage To Your Product**

12 “Property damage” to “your product” arising out of it or any part
13 of it.

14 **l. Damage To Your Work**

15 “Property damage” to “your work” arising out of it or any part of it
16 and included in the “products-completed operations hazard”.

17 This exclusion does not apply if the damaged work or the work out
18 of which the damage arises was performed on your behalf by a
19 sub-contractor.

20 **m. Damage To Impaired Property Or Property Not Physically**
21 **Injured**

22 “Property damage” to “impaired property” or property that has not
23 been physically injured, arising out of:

- 24 (1) A defect, deficiency, inadequacy or dangerous condition in
25 “your product” or “your work”; or
- 26 (2) A delay or failure by you or anyone acting on your behalf to
27 perform a contract or agreement in accordance with its terms.
28

1 19. The Policies, in Section IV – Commercial General Liability Conditions,
2 provide in pertinent part:

3 **6. Representations**

4 By accepting this policy, you agree:

- 5 a. The statements in the Declarations are accurate and
6 complete;
7 b. Those statements are based upon representations you
8 made to us; and
9 c. We have issued this policy in reliance upon your
10 representations.

11 20. The Policies, in the Contractors Amendatory Endorsement, CLC 19/99,
12 Exclusion - Unreported Work, provide the following relevant exclusion:

13 This endorsement modifies insurance provided under the following:

14 **CONTRACTORS GENERAL LIABILITY COVERAGE PART**

15 IT IS UNDERSTOOD AND AGREED that this insurance does not
16 apply to “bodily injury”, “property damage” . . . that arises out of or
17 resulting from “your work” or “your product”:

- 18 1. From any class code not listed in the Declarations of this
19 policy, if your work comprises more than 10% of your work
20 over the term of this policy for such class code.
21 2. From any class code that comprises more than 10% of
22 your work over the term of this policy and not reported to the
23 company within 60 days from the time you engage in such
24 work.

25 21. The Policies, in the Contractors Amendatory Endorsement, CLC 04/96,
26 Exclusion – Subsidence, provide the following relevant exclusion:

27 This insurance does not apply to “bodily injury”, “property damage” .
28 . . . caused directly or indirectly, based on or attributed to, arising out
of, resulting from, or in any manner related to the subsidence of land

1 or soil, and any such claim is excluded regardless of any other cause
2 or event contributing concurrently or in any sequence or manner to the
3 loss. . . .

4 22. The Policies also contain a Fungi or Bacteria exclusion in an
5 endorsement which excludes, among other things, property damage due to mold or
6 mildew.

7 **THE UNDERLYING CLAIM AND GENERAL ALLEGATIONS**

8 23. This matter arises out of a claim by Easton asserted against Crescent
9 Glass and others for construction defects in relation to the project. Easton's Cross-
10 Complaint against Crescent Glass and others is attached hereto as Exhibit C.
11 Pasternack seeks repair costs against Easton in excess of \$500,000 among other
12 alleged damages.

13 24. Easton asserts that Crescent Glass improperly installed the windows and
14 doors on the project resulting in construction defects which require repair or
15 replacement of allegedly defective work.¹

16 25. Easton has demanded and continues to demand that Crescent Glass,
17 and/or its insurers, pay certain funds and amounts to resolve the claim. Based upon
18 settlement and mediation privileges, the amount of the settlement demand is not
19 disclosed herein, but is in excess of \$75,000, exclusive of interest and costs.

20 26. Easton also contends that it is an Additional Insured under a Lincoln
21 General policy but Easton is nowhere identified or included as an Additional Insured
22 under the Lincoln General Policies.

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27 ¹ Lincoln General does not intend to suggest or imply that there is merit to the claim against Crescent Glass or
28 others of alleged defective construction work and/or alleged resulting damage.

GROUND FOR DECLARATORY RELIEF

COUNT I

(Easton Is Not An Insured)

27. Lincoln General repeats, re-alleges and incorporates by reference paragraphs 1 through 27 of this Complaint for Declaratory Relief as though fully set forth herein.

28. Defendant Easton is not listed as a named insured or additional insured on the Lincoln General Policies.

29. Easton does not qualify as an insured in the Policies under Section II – Who is An Insured.

30. Since Easton is not an insured under the Policies, Lincoln General has no duty to defend or indemnify Easton under the Policies for the claim.

COUNT II

(The Claim Does Not Constitute An “Occurrence” As Defined In The Policies)

31. Lincoln General repeats, re-alleges and incorporates by reference paragraphs 1 through 31 of this Complaint for Declaratory Relief as though fully set forth herein.

32. The Insuring Agreement of the Policies provides that the Policies apply to “property damage” only if the “property damage” is caused by an “occurrence.”

33. The Policies define “occurrence” as an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

34. To the extent that the claim describes construction defects, which are the natural consequence of faulty workmanship and the failure to meet commercial expectations and requirements in the contracts and warranties between the parties, the claim does not constitute an accident as defined in the Policies and required by the Insuring Agreement.

35. Therefore, to the extent that the claim does not constitute an “occurrence” as defined in the Policies, said Policies do not potentially or actually cover the claim.

36. Therefore, Lincoln General does not owe any duty to defend or indemnify Crescent Glass and/or Easton under the Policies for the claim.

COUNT III

(The Claim Does Not Constitute “Property Damage” As Defined In The Policies)

37. Lincoln General repeats, re-alleges and incorporates by reference paragraphs 1 through 37 of this Complaint for Declaratory Relief as though fully set forth herein.

38. The Policies define “property damage” as physical injury to tangible property, including all resulting loss of use of that property.

39. The claim sounds in economic loss, or, alternatively, faulty workmanship. To the extent that the claim does not allege physical injury to tangible property, the alleged damage asserted does not constitute “property damage” as that term is defined in the Policies and the Policies do not potentially or actually cover the claim. Therefore, Lincoln General does not owe any duty to defend or indemnify Crescent Glass and/or Easton under the Policies for the claim.

COUNT IV

(Coverage Is Not Triggered Under The Policies For The Claim)

40. Lincoln General repeats, re-alleges and incorporates by reference paragraphs 1 through 40 of this Complaint for Declaratory Relief as though fully set forth herein.

41. The Insuring Agreement of the Lincoln General Policies, as modified, provides that the Policies apply only to “property damage” that “first manifests during the policy period.” The Policies do not apply to property damage that manifests prior to or after the policy period. Moreover, the Policies do not apply to property damage

1 that manifests prior to the policy period and continues or is progressively deteriorating
2 during the policy period.

3 42. To the extent that there is property damage, if property damage
4 manifested before or after the policy period, there is no coverage for “property
5 damage” that did not first manifest during the policy periods of the Policies, and
6 Lincoln General does not owe any duty to defend or indemnify Crescent Glass and/or
7 Easton under the Policies for the claim.

8 **COUNT V**

9 **(The Claim Is Excluded By One Or More Exclusion(s) In The Policies)**

10 43. Lincoln General repeats, re-alleges and incorporates by reference
11 paragraphs 1 through 43 of this Complaint for Declaratory Relief as though fully set
12 forth herein.

13 44. The Lincoln General Policies exclude coverage, under exclusion “j(5)” in
14 the Policies, for property damage to the property on which you are performing
15 operations, if the property damage arises out of the operations. In addition, the
16 Policies exclude coverage, under exclusion “j(6)” in the Policies, for property damage
17 to that part of any property that must be restored, repaired or replaced because “your
18 work” was incorrectly performed on it. In addition, the Policies exclude coverage,
19 under exclusion “k” in the Policies, for property damage to “your product.” In
20 addition, the Policies exclude coverage, under exclusion “l” in the Policies, for
21 property damage to “your work.” In addition, the Policies exclude coverage, under
22 exclusion “m” in the Policies, for property damage to “impaired property or property
23 not physically injured.” In addition, the Policies exclude coverage for property
24 damage that arises out of our resulting from “your work” from any class code not
25 listed in the Declarations if your work comprises more than 10% of your work. In
26 addition, the Policies exclude coverage for property damage caused directly or
27 indirectly by the subsidence of land or soil. In addition, the Policies exclude coverage
28

1 for property damage due to fungi or bacteria, including, but not limited to, mold or
2 mildew.

3 45. Even if the claim is construed to satisfy all the other requirements of
4 coverage, all or a portion of the claim is excluded from coverage by operation of one
5 or more of the exclusions in the Policies including those set forth in the preceding
6 paragraph, and therefore Lincoln General does not owe any duty to defend or
7 indemnify Crescent Glass and/or Easton under the Policies for the claim.

8 **RELIEF SOUGHT**

9 46. By reason of the foregoing, an actual controversy exists between Lincoln
10 General Insurance Company and the Defendants, which may be determined and
11 resolved by this Court. This Court has authority to declare the rights and obligations
12 of the parties under the terms, conditions, and provisions of the Lincoln General
13 insurance policies pursuant to 28 U.S.C. §2201 and Rule 57 of the Federal Rules of
14 Civil Procedure.

15 47. WHEREFORE, Lincoln General Insurance Company prays that this
16 court find, declare, and enter judgment in favor of Lincoln General, as follows:

17 **COUNT I**

18 That Lincoln General does not owe any duty to defend or indemnify
19 Crescent Glass, Easton, or any other person, firm, or entity, under Lincoln General
20 Policy No. 632000481202 and Policy No. 634001177100 as regards the claim; that
21 the Defendants take nothing from Lincoln General; that Lincoln General is entitled to
22 reimbursement of all defense costs and expenses for the claim; and that costs and
23 attorneys' fees be entered in favor of Lincoln General and against the Defendants.

24 **COUNT II**

25 That Lincoln General does not owe any duty to defend or indemnify
26 Crescent Glass, Easton, or any other person, firm, or entity, under Lincoln General
27 Policy No. 632000481202 and Policy No. 634001177100 as regards the claim; that
28 the Defendants take nothing from Lincoln General; that Lincoln General is entitled to

1 reimbursement of all defense costs and expenses for the claim; and that costs and
2 attorneys' fees be entered in favor of Lincoln General and against the Defendants.

3 **COUNT III**

4 That Lincoln General does not owe any duty to defend or indemnify
5 Crescent Glass, Easton, or any other person, firm, or entity, under Lincoln General
6 Policy No. 632000481202 and Policy No. 634001177100 as regards the claim; that
7 the Defendants take nothing from Lincoln General; that Lincoln General is entitled to
8 reimbursement of all defense costs and expenses for the claim; and that costs and
9 attorneys' fees be entered in favor of Lincoln General and against the Defendants.

10 **COUNT IV**

11 That Lincoln General does not owe any duty to defend or indemnify
12 Crescent Glass, Easton, or any other person, firm, or entity, under Lincoln General
13 Policy No. 632000481202 and Policy No. 634001177100 as regards the claim; that
14 the Defendants take nothing from Lincoln General; that Lincoln General is entitled to
15 reimbursement of all defense costs and expenses for the claim; and that costs and
16 attorneys' fees be entered in favor of Lincoln General and against the Defendants.

17 **COUNT V**

18 That Lincoln General does not owe any duty to defend or indemnify
19 Crescent Glass, Easton, or any other person, firm, or entity, under Lincoln General
20 Policy No. 632000481202 and Policy No. 634001177100 as regards the claim; that
21 the Defendants take nothing from Lincoln General; that Lincoln General is entitled to
22 reimbursement of all defense costs and expenses for the claim; and that costs and
23 attorneys' fees be entered in favor of Lincoln General and against the Defendants.

24 49. Pleading in the alternative, if Lincoln General owes a duty to indemnify,
25 which is denied, it is not liable to pay more than one limit irrespective of the number
26 of policies it issued and Lincoln General prays for this relief herein.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiff hereby demands trial by jury on all issues.

Dated: 6/15/12

RYAN MERCALDO & WORTHINGTON LLP

By: Brian P. Worthington
Brian P. Worthington, Esq.
Attorneys for Plaintiff,
LINCOLN GENERAL INSURANCE
COMPANY

EXHIBIT "A"

Policy Number: 6320004812 02

CRESCENT GLASS INC
74-866 LENNON PLACE SUITE B
PALM DESERT CA 92260

ATTACHED ARE DOCUMENTS FOR THE FOLLOWING NAMED INSURED:

CRESCENT GLASS INC
74-866 LENNON PLACE SUITE B
PALM DESERT CA 92260

05-31-06

Insured Copy

A-000001

POLICY NUMBER: 6320004812 02

IL 09 85 01 03

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT OF 2002. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

**DISCLOSURE PURSUANT TO TERRORISM RISK
INSURANCE ACT OF 2002**

SCHEDULE*

Terrorism Premium (Certified Acts) \$ 0

Additional information, if any, concerning the terrorism premium:

* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act of 2002, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under that Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.



Policy Number
6320004812 02

COMMON POLICY DECLARATIONS

RENEWAL OF:
6320004812 01

LINCOLN GENERAL INSURANCE COMPANY

Item 1. Named Insured and Mailing Address	Agent Name and Address
CRESCENT GLASS INC 74-866 LENNON PLACE SUITE B PALM DESERT CA 92260	HAROLD B. NIELSEN INSURANCE AGENCY, INC. PO BOX 6549 WESTLAKE VILLAGE CA 91359
	Agent No. 089163
Item 2. Policy Period	From: 07-04-2006 To: 07-04-2007
at 12:01 A.M., Standard Time at your mailing address shown above.	
Item 3. Business Description:	
Form of Business: CORPORATION	
Item 4. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.	
This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.	
Coverage Part(s)	Premium
Commercial Property Coverage Part	NOT COVERED
Commercial General Liability Coverage Part	\$ 10,099.00
Commercial Crime Coverage Part	NOT COVERED
Commercial Inland Marine Coverage Part	NOT COVERED
Commercial Auto (Business or Truckers) Coverage Part	NOT COVERED
Commercial Garage Coverage Part	NOT COVERED
TAX OR SURCHARGE	\$ 100.00
Total Policy Premium	\$ 10,199.00
Item 5. Forms and Endorsements	
Form(s) and Endorsement(s) made a part of this policy at time of issue:	
See Schedule of Forms and Endorsements	

Countersigned:

Date: _____

By: _____

Authorized Representative

THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

CO-DEC (01/97)

Insured Copy

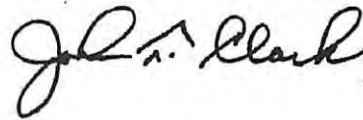
A-000003

Lincoln General Insurance Company

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



Gary J. Orndorff
Secretary



John T. Clark
President

CALIFORNIA DEPARTMENT OF INSURANCE RACE, NATIONAL ORIGIN & GENDER FORM

COMMUNITY SERVICE STATEMENT LINCOLN GENERAL INSURANCE COMPANY

_____ Policyholder Number (for New Business Only)

This information is requested by the state of California in order to monitor the insurer's compliance with the law. All new policyholders are requested to voluntarily provide the following information.

No such information shall be used for purposes of underwriting or rating any policyholder.

Policyholder CRESCENT GLASS INC
74-866 LENNON PLACE SUITE B
PALM DESERT CA 92260-

Policy Type

☐ Fire Personal
☐ Homeowners
☐ Private Passenger Auto Liability

☐ Fire - Commercial
☐ Commercial Multi Peril

* If a policyholder does not wish to provide the Department of Insurance with this information, please check here. _____

Check the Race or National Origin as it applies to the policyholder(s). For the purpose of completing this form, the policyholder is defined as: individual, spouse, domestic partner, or business partner(s) named on the policy.

African-American
 American Indian or Alaskan Native
 Asian /Pacific Islander
 Latino
 White
 Other (specify):

Policyholder Male/Female/Business

Co-Policyholder Male/Female/Business

Edition: 2003

(COMSERV 10/04)

Insured Copy

A-000005

Policy Number
6320004812 02

SCHEDULE OF FORMS AND ENDORSEMENTS
LINCOLN GENERAL INSURANCE COMPANY

Named Insured CRESCENT GLASS INC

Effective Date: 07-04-06
 12:01 A.M., Standard Time

Agent Name HAROLD B. NIELSEN INSURANCE AGENCY, INC **Agent No.** 089163

COMMON POLICY FORMS AND ENDORSEMENTS

IL 09 85	01-03	DISCLOSURE PURSUANT/TERROR INS ACT-2002
CO-DEC	01-97	COMMON POLICY DECLARATIONS
COM SERVI	10-04	CA COMMUNITY SERVICE STATEMENT
FORM-SCHED	01-97	SCHEDULE OF FORMS AND ENDORSEMENTS
IL 00 17	11-98	COMMON POLICY CONDITIONS
LOC-SCHED	01-97	SCHEDULE OF LOCATIONS
TAX-FORM	01-97	SCHEDULE OF TAXES, SURCHARGES OR FEES
IL 00 21	07-02	NUCLEAR ENERGY LIABILITY EXCLUSION ENDT
IL 02 70	11-04	CA CHANGES - CANCELLATION & NONRENEWAL
IL 00 03	04-98	CALCULATION OF PREMIUM

GENERAL LIABILITY FORMS AND ENDORSEMENTS

CLC 1599	05-04	EXCLUSION - TRACT HOUSING
CLC 1699	05-04	EXCLUSION - CONDO, APT, TOWNHOUSE
GL-DEC	12-01	COMM GENERAL LIABILITY COVERAGE SUPP DEC
GL-SCHED	01-97	COMM GENERAL LIABILITY COVERAGE SCHEDULE
LG CG03	05-04	EXCLUSION-WORK FOR HOMEOWNERS ASSOC.
LG CG04	01-05	SUB-CONTRACTORS EXCLUSION
LG CG05	01-05	ROOFING EXCLUSION
LG CG07	05-04	EXCLUSION-FUNGI OR BACTERIA
CG 00 01	10-01	COMMERCIAL GENERAL LIABILITY COV FORM
CG 03 00	01-96	DEDUCTIBLE LIABILITY INSURANCE
CG 04 24	10-93	COVERAGE FOR INJURY TO LEASED WORKERS
CG 21 47	07-98	EMPLOYMENT-RELATED PRACTICES EXCLUSION
CG 21 49	09-99	TOTAL POLLUTION EXCL ENDT
CG 21 70	11-02	CAP LOSSES FROM CERTIF ACTS OF TERRORISM
CLC 0196	01-96	CONT AMEND ENDT MANIFESTATION
CLC 0396	03-96	CONT AMEND ENDT ALL POLICY AGGREGATE
CLC 0496	04-96	EXCLUSION SUBSIDENCE
CLC 0696	06-96	EXCLUSION - VARIOUS CAUSES OF LOSS
CLC 0796	07-96	EXCL - ASSAULT & BATTERY, SEXUAL ABUSE
CLC 1799	06-02	EXCLUSION - ANIMALS
CLC 1999	06-02	EXCLUSION - UNREPORTED WORK

FORM-SCHED (01/97)

Insured Copy

A-000006

IL 00 17 11 98

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

Policy Number
6320004812 02

SCHEDULE OF LOCATIONS

LINCOLN GENERAL INSURANCE COMPANY

Named Insured CRESCENT GLASS INC

Effective Date: 07-04-06
12:01 A.M., Standard Time

Agent Name HAROLD B. NIELSEN INSURANCE AGENCY, INC **Agent No.** 089163

Loc. No.	Bldg. No.	Designated Locations (Address, City, State, Zip Code)	Occupancy
001	001	79-894 LENNON PLACE A-1 & F-2, PALM DESERT, CA 92260	
002	001	44907 GOLF CENTER PARKWAY, INDIO, CA 92201	

LOC-SCHED (01/97)

Insured Copy

A-000008

Policy Number
6320004812 02

SCHEDULE OF TAXES, SURCHARGES OR FEES

LINCOLN GENERAL INSURANCE COMPANY

Named Insured CRESCENT GLASS INC

Effective Date: 07-04-06
12:01 A.M., Standard Time

Agent Name HAROLD B. NIELSEN INSURANCE AGENCY, INC Agent No. 089163

CO-DEC (cont.)

TAXES/SURCHARGES DETAILED BREAKDOWN :

POLICY FEE	\$	100.00

TOTAL TAXES/SURCHARGES	\$	100.00

IL 00 21 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an "insured" under the policy is also an Insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

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Page 1 of 2

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Insured Copy

A-000010

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

IL 02 70 11 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART

A. Paragraphs 2. and 3. of the Cancellation Common Policy Condition are replaced by the following:

2. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured at the mailing address shown in the policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

- a. 10 days before the effective date of cancellation if we cancel for:
 - (1) Nonpayment of premium; or
 - (2) Discovery of fraud by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy.
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

- a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:
 - (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
 - (2) Discovery of fraud or material misrepresentation by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy.
 - (3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
 - (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
 - (6) A determination by the Commissioner of Insurance that the:
 - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
 - (b) Continuation of the policy coverage would:
 - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
 - (ii) Threaten our solvency.
 - (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.
- B. The following provision is added to the Cancellation Common Policy Condition:
- 7. Residential Property**
- This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:
- Commercial Property Coverage Part
- Farm Coverage Part — Farm Property — Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form
- a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in b. and c. below.
 - b. We may not cancel this policy solely because the first Named Insured has:
 - (1) Accepted an offer of earthquake coverage; or
 - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.
 - c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This Restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
 - (1) Capital Assets Program Coverage Form (Output Policy);
 - (2) Commercial Property Coverage Part — Causes Of Loss — Special Form; or
 - (3) Farm Coverage Part — Causes Of Loss Form — Farm Property, Paragraph D. Covered Causes Of Loss — Special.

- C. The following is added and supersedes any provisions to the contrary:

NONRENEWAL

1. Subject to the provisions of Paragraphs C.2. and C.3. below, if we elect not to renew this policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

Capital Assets Program (Output Policy) Coverage Part

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. We may elect not to renew such coverage for any reason, except as provided in b., c. and d. below:
- b. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

- (3) We have:

- (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
- (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

- c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority that included an earthquake policy premium surcharge.

- d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This Restriction (d.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

- (1) Capital Assets Program Coverage Form (Output Policy);
- (2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
- (3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

3. We are not required to send notice of nonrenewal in the following situations:

- a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.

- b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph C.1.
- c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
- e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph C.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

INTERLINE
IL 00 03 04 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYMENT - RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

LINCOLN GENERAL INSURANCE COMPANY

**THIS ENDORSEMENT CHANGES THE POLICY - PLEASE READ IT
CAREFULLY**

**CONTRACTORS AMENDATORY ENDORSEMENT
CLC-15/99(05 04)**

EXCLUSION - NEW CONSTRUCTION OF TRACT HOUSING

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

IT IS UNDERSTOOD AND AGREED that this insurance does not apply to any "bodily injury," "property damage," "personal injury," or "advertising injury" that arises out of, or is related to an Insured's or an Insured's sub-contractor's operations, work, or product that are incorporated into the new construction of a "tract housing" project or development. This exclusion also applies to any repair work done for or on behalf of the "tract housing builder."

This exclusion does not apply if the work occurs after the "tract housing" project or development has been completed, certified for occupancy and occupied, and the work is performed for the individual homeowner under a contract between the homeowner and our insured executed prior to the commencement of the work.

Definitions:

"Tract housing" means any housing project or development that includes the construction of five (5) or more single family homes, whether attached or detached, in any or all phases of the project or development, regardless of the number of developers.

"Tract housing builder" means a developer, general contractor, sub-contractor, or any other party involved in the new construction of tract housing.

All other terms and conditions remain the same.

LINCOLN GENERAL INSURANCE COMPANY

**THIS ENDORSEMENT CHANGES THE POLICY - PLEASE READ IT
CAREFULLY**

**CONTRACTORS AMENDATORY ENDORSEMENT
CLC-16/99(05 04)**

**EXCLUSION – NEW CONSTRUCTION OF CONDOMINIUM, TOWNHOUSE,
APARTMENT, OR MULTIPLE USE RESIDENTIAL / COMMERCIAL
BUILDINGS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

IT IS UNDERSTOOD AND AGREED that this insurance does not apply to any "bodily injury," "property damage," "personal injury," or "advertising injury" that arises out of, or is related to an Insured's or an Insured's sub-contractor's operations, work, or product that are incorporated into all or any portion of the new construction of a "condominium, townhouse, apartment, or multiple use residential / commercial project". This exclusion applies to any repair work done for or on behalf of the "condominium, townhouse, apartment or multi-use residential / commercial builder".

This exclusion also applies to any project which converts all or any part of an existing structure into a "condominium, townhouse, apartment, or multiple use residential / commercial building project".

This exclusion does not apply if the work occurs after the "condominium, townhouse, apartment, or multi-use residential / commercial project" has been completed or converted, certified for occupancy and occupied, and the work is performed for the individual unit owner under a contract between the unit owner and our insured executed prior to the commencement of any work.

Definitions:

"Condominium, townhouse, apartment, and multiple use residential / commercial project" is defined as any multiple unit building consisting of two or more residential units, whether or not the building is also designed or intended for any commercial use and regardless of the number of developers involved in the project.

"Condominium, townhouse, apartment, or multi-use residential / commercial builder" means a developer, general contractor, sub-contractor, or any other party involved in the new construction of condominium, townhouse, apartment, or multi-use residential / commercial buildings.

All other terms and conditions remain the same.

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CLC-16-99 (05 04)

Page 1 of 1

Insured Copy

A-000018



Policy Number
6320004812 02

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
SUPPLEMENTAL DECLARATIONS**

LINCOLN GENERAL INSURANCE COMPANY

Named Insured CRESCENT GLASS INC

Effective Date: 07-04-2006
12:01 A.M., Standard Time

Agent Name HAROLD B. NIELSEN INSURANCE AGENCY, INC **Agent No.** 089163

Item 1. Business Description:

Item 2. Limits of Insurance

Coverage	Limit of Liability	
Aggregate Limits of Liability	INCLUDED	Products/Completed Operations Aggregate
	\$ 2,000,000	General Aggregate (other than Products/Completed Operations)
Coverage A - Bodily Injury and Property Damage Liability	\$ 1,000,000	any one occurrence subject to the Products/Completed Operations and General Aggregate Limits of Liability
Damage To Premises Rented To You	\$ 100,000	any one premises subject to the Coverage A occurrence and the General Aggregate Limits of Liability
Coverage B - Personal and - Advertising Injury Liability	\$ 1,000,000	any one person or organization subject to the General Aggregate Limits of Liability
Coverage C - Medical Payments	5,000	any one person subject to the Coverage A occurrence and the General Aggregate Limits of Liability

Item 3. Retroactive Date

This Insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" which occurs before the Retroactive Date, if any, shown here:

(Enter Date or "None" if no Retroactive Date applies)

Item 4. Form of Business and Location of Premises

Forms of Business: CORPORATION

Location of All Premises You Own, Rent or Occupy:

See Schedule of Locations

Item 5. Forms and Endorsements

Form(s) and Endorsement(s) made a part of this policy at time of issue:

See Schedule of Forms and Endorsements

Item 6. Premiums

Coverage Part Premium: \$ 10,099.00

Other Premium:

Total Premium: \$ 10,099.00

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.
GL-DEC (12/01)

Policy Number
6320004812 02

COMMERCIAL GENERAL LIABILITY COVERAGE SCHEDULE

LINCOLN GENERAL INSURANCE COMPANY

Named Insured CRESCENT GLASS INC

Effective Date: 07-04-06
12:01 A.M., Standard Time

Agent Name HAROLD B. NIELSEN INSURANCE AGENCY, INC. **Agent No.** 089163

Item 5. Location of Premises

Location of All Premises You Own, Rent or Occupy:
See Schedule of Locations

Code No. 13590	Premium Basis PAYROLL/NEAREST THOUSAND	Premises/Operations	
Location 001/001	Exposure \$900,000	Rate	Premium
Classification: GLASS DEALERS AND GLAZIERS		8.758	7,882.00
		Products/Completed Operations	
		Rate	Premium
		2.463	2,217.00
Code No.	Premium Basis	Premises/Operations	
Location	Exposure	Rate	Premium
Classification:			
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
Location	Exposure	Rate	Premium
Classification:			
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
Location	Exposure	Rate	Premium
Classification:			
		Products/Completed Operations	
		Rate	Premium

LINCOLN GENERAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY - PLEASE READ IT CAREFULLY

CONTRACTORS AMENDATORY ENDORSEMENT

LG CG 03 05 04

EXCLUSION- WORK FOR HOMEOWNERS ASSOCIATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is understood and agreed that this insurance does not apply to any "bodily injury," "property damage," "personal injury," or "advertising injury" that arises out of or is related to an Insured's or an Insured's sub-contractors operations or work performed for a Homeowners Association.

However, this exclusion does not apply to any operations or work performed for an individual unit owner within a "Homeowners Association" under a contract between the unit owner and the named insured executed prior to the commencement of the operations or work.

Definition:

"Homeowners Association" is defined as any residential tract, condominium, townhouse multiple use residential / commercial or community association, and includes any property management firm working on behalf of an association.

All other terms and conditions remain the same.

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LINCOLN GENERAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY – PLEASE READ IT CAREFULLY

**CONTRACTORS AMENDATORY ENDORSEMENT
LG CG 04 01 05**

SUB- CONTRACTORS EXCLUSION

THE FOLLOWING ADDITIONAL CONDITION IS ADDED TO THE POLICY

Coverage for "Bodily Injury", "Property damage", "Personal Injury" or "Advertising Injury" does not apply to any work performed on behalf of the named insured by any sub- contractor unless the following conditions are completely satisfied at the time of commencement of any work by the sub-contractor and continue until completion of all of the work by the sub-contractor:

1. The sub- contractor has a valid contractors license for the work to be performed, where such licenses are required by the state in which the work is to be performed; and
2. The sub- contractor has in force a Commercial General Liability policy with limits that are equal to or exceed the limits provided under this policy (exception: roofing sub-contractors require limits of \$1,000,000 for "Bodily Injury", "Property Damage", "Personal Injury" and "Advertising Injury", either as a combined or as a separate limit); and
3. The sub- contractor has added the named insured as an additional insured on its policy; and
4. The sub-contractor has in force Workers' Compensation and Employers Liability coverage covering the sub-contractors employees, if any.

In the event this exclusion does not apply because all of the conditions listed above are satisfied, this insurance will be excess over any other valid and collectible insurance available to the named insured from the sub-contractor.

In the event any of the conditions listed above are not satisfied, this exclusion will apply.

LINCOLN GENERAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY - PLEASE READ IT CAREFULLY

ROOFING EXCLUSION

LG CG 05 01 05

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. This insurance does not apply to "Bodily Injury", "Property Damage", "Personal Injury" or "Advertising Injury" arising out of:

1. The installation, repair or replacement of any roof including the tear down of any existing roof or portion of any roof; or
2. Any other work performed upon any roof, including the installation, repair, or removal of any materials or products from or on any roof or any portion thereof.

B. This exclusion shall not apply to any roofing work performed under Paragraph A.1 or A.2 on behalf of the named insured by any sub-contractor provided the following conditions are completely satisfied at the time of commencement of any work by the sub-contractor and continue until completion of all of the work by the sub-contractor:

1. The sub-contractor has a valid contractors license in the state of operations to perform roofing work; and
2. The sub-contractor has in force a Commercial General Liability policy with limits of at least \$1,000,000 Per Occurrence for "Bodily Injury", "Property Damage", "Personal Injury" and "Advertising Injury", either as a combined or separate limit; and
3. The sub-contractor has added the named insured as an additional insured on its policy; and
4. The sub-contractor has in force Workers' Compensation and Employers Liability Coverage covering sub-contractors employees, if any.

In the event the exclusion does not apply because all of the conditions listed in Paragraph B are met, this insurance will be excess over any other valid and collectible insurance available to the named insured from the sub-contractor.

In the event any of the conditions listed in Paragraph B are not met, this exclusion will apply.

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – FUNGI OR BACTERIA

LG CG 07 05 04

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2, Exclusions of **Section I- Coverage A-Bodily Injury And Property Damage Liability**:

2. Exclusions

This insurance does not apply to:

Fungi or Bacteria

- a. "Bodily Injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption

- A. The following exclusion is added to Paragraph 2., Exclusions of **Section I- Coverage B-Personal And Advertising Injury Liability**:

2. Exclusion

This insurance does not apply to:

Fungi or Bacteria

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- B. The following definition is added to the **Definitions** Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

COMMERCIAL GENERAL LIABILITY
CG 00 01 10 01

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

SECTION I - COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury": Include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
 - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily Injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;

- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III - Limits Of Insurance.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance ; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods - Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of websites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

COVERAGE C MEDICAL PAYMENTS**1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations; provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;

- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while taking part in athletics.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

h. War

Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.

- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All costs taxed against the insured in the "suit".
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I - Coverage A - Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II - WHO IS AN INSURED**1. If you are designated in the Declarations as:**

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily Injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person driving the equipment; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an Insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

- a. Damages under Coverage A; and
- b. Medical expenses under Coverage C

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I - Coverage A - Bodily Injury And Property Damage Liability.
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
- c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
- b. Your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
11. "Loading or unloading" means the handling of property:
- After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - While it is in or on an aircraft, watercraft or "auto"; or
 - While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - Vehicles maintained for use solely on or next to premises you own or rent;
 - Vehicles that travel on crawler treads;
 - Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - Power cranes, shovels, loaders, diggers or drills; or
 - Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - Cherry pickers and similar devices used to raise or lower workers;
 - Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

 - Equipment designed primarily for:
 - Snow removal;
 - Road maintenance, but not construction or resurfacing; or
 - Street cleaning;
 - Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- False arrest, detention or imprisonment;
 - Malicious prosecution;
 - The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - The use of another's advertising idea in your "advertisement"; or
 - Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, re-conditioned or reclaimed.

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
- (2) The providing of or failure to provide warnings or instructions.

POLICY NUMBER: 6320004812 02

COMMERCIAL GENERAL LIABILITY
CG 03 00 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**SCHEDULE**

Coverage	Amount and Basis of Deductible PER CLAIM or PER OCCURRENCE	
Bodily Injury Liability OR	\$	\$
Property Damage Liability OR	\$	\$
Bodily Injury Liability and/or Property Damage Liability Combined	\$	\$ 500

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury" and "property damage", however caused):

- A. Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.
- B. You may select a deductible amount on either a per claim or a per "occurrence" basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the Schedule above applies as follows:
1. **PER CLAIM BASIS.** If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:
 - a. Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";
 - b. Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or
 - c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages sustained by any one person because of:
 - (1) "Bodily injury";
 - (2) "Property damage"; or
 - (3) "Bodily injury" and "property damage" combined
- as the result of any one "occurrence". If damages are claimed for care, loss of services or death resulting at any time from "bodily injury", a separate deductible amount will be applied to each person making a claim for such damages.
- With respect to "property damage", person includes an organization.

2. PER OCCURRENCE BASIS. If the deductible amount indicated in the Schedule above is on a "per occurrence" basis, that deductible amount applies as follows:

- a. Under Bodily Injury Liability Coverage, to all damages because of "bodily injury";
- b. Under Property Damage Liability Coverage, to all damages because of "property damage"; or
- c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages because of:
 - (1) "Bodily injury";
 - (2) "Property damage"; or
 - (3) "Bodily injury" and "property damage" combined

as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

C. The terms of this insurance, including those with respect to:

- 1. Our right and duty to defend the insured against any "suits" seeking those damages; and
- 2. Your duties in the event of an "occurrence", claim, or "suit"

apply irrespective of the application of the deductible amount.

D. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

COMMERCIAL GENERAL LIABILITY
CG 04 24 10 93

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE FOR INJURY TO LEASED WORKERS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

With respect to the Employer's Liability exclusion (Section I) only, the definition of "employee" in the DEFINITIONS Section is replaced by the following:

"Employee" does not include a "leased worker" or a "temporary worker".

COMMERCIAL GENERAL LIABILITY
CG 21 47 07 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

- B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

COMMERCIAL GENERAL LIABILITY
CG 21 49 09 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

This insurance does not apply to:

f. Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time..
- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

COMMERCIAL GENERAL LIABILITY
CG 21 70 11 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Lincoln General Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY - PLEASE READ IT
CAREFULLY**

**CONTRACTORS AMENDATORY ENDORSEMENT
CLC-01/96**

This endorsement modifies the insurance afforded COMMERCIAL GENERAL LIABILITY COVERAGE FORM and any other COVERAGE FORMS attached to and forming part of this policy.

INSURING LANGUAGE - THIS POLICY ONLY APPLIES TO BODILY INJURY AND PROPERTY DAMAGE WHICH FIRST MANIFESTS DURING THE POLICY PERIOD, AND TO PERSONAL INJURY AND ADVERTISING INJURY WHEN THE DAMAGE FROM THE OFFENSE FIRST MANIFESTS DURING THE POLICY PERIOD.

A. SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY.

"1. Insuring Agreement" is deleted in its entirety and replaced by the following:

-1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and

Lincoln General Insurance Company

- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under
SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" and "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and

- (2) The "bodily injury" or "property damage" first manifests during the policy period. This insurance does not apply to any "bodily injury" or "property damage" that is continuous or progressively deteriorating and that first manifests prior to the effective date of this policy or after the expiration of this policy, even if such injury or damage continues or deteriorates during the time of this policy.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

- d. For the purposes of this endorsement, "bodily injury" first manifests when it is medically diagnosed, and "property damage" first manifests at the time it is apparent to any person, including, but not limited to, an "insured," a "claimant," or a property owner. "Claimant" means a person or entity who makes a claim or brings a suit against an "insured."

- e. In the event this policy is renewed and coverage extends for more than one term, the following applies:

- (1) The most we will pay for "bodily injury" and "property damage" that is continuous or progressively deteriorating, and that first manifests during one of the periods of this policy, is the

Lincoln General Insurance Company

applicable limit of insurance available with respect to that one policy period.

- (2) The limit specified in Paragraph e.1 above is the only limit that applies to any related "bodily injury" or "property damage" regardless of whether such injury or damage existed before, or continues or progressively deteriorates after, the period in which it first manifests.

B. SECTION I – COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY.

"I. Insuring Agreement" is deleted in its entirety and replaced by the following:

-1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal injury" or "advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to:

Lincoln General Insurance Company

(1) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you.

(2) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;

But only if the offense was committed in the "coverage territory" and the damage caused by the offense first manifests during the policy period. This insurance does not apply to all damages caused by "personal injury" or "advertising injury" that is continuous or progressively deteriorating and that first manifests prior to the effective date or after the expiration of this policy, even if such injury or damage continues or deteriorates during the term of this policy.

c. For purposes of this endorsement, damage caused by a "personal injury" offense or an "advertising injury" offense first manifests at the time it is apparent to any person, including but not limited to an "insured", a "claimant" or a property owner. "Claimant" means a person or entity who makes a claim or brings a suit against an "insured."

d. In the event this policy is renewed and coverage extends for more than one term, the following applies:

(1) The most we will pay for "personal injury" and "advertising injury" that is continuous or progressively deteriorating, and that first manifests during one of the periods of this policy, is the applicable limit of insurance available with respect to that one policy period.

(2) The limit specified in Paragraph d.1 above is the only limit that applies to all related "personal injury" or "advertising injury", regardless of whether such injury or damage existed before, or continues or progressively deteriorates after, the period in which it first manifests.

Lincoln General Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY - PLEASE READ IT
CAREFULLY**

**CONTRACTORS AMENDATORY ENDORSEMENT
CLC-03/96**

**ALL POLICY AGGREGATE - INCLUSION OF ALL COVERAGES
PROVIDED BY THIS POLICY WITHIN THE "GENERAL AGGREGATE"**

'SECTION III - LIMITS OF INSURANCE' is hereby deleted in its entirety from the coverage form and replaced by the following:

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a) Insureds;
 - b) Claims made or "suits" brought, or
 - c) Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a) Medical Expenses under Coverage C;
 - b) Damages under Coverage A and B;
 - c) Damages under any other coverage provided by this policy
3. Subject to 2 above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization.
4. Subject to 2 above, the Each Occurrence Limit is the most we will pay for the sum of:
5. Damages under Coverage A; and
6. Medical expenses under Coverage C
7. because of all "bodily injury" and "property damage" arising out of any one "occurrence".
8. Subject to 4 above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises, while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire.

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Lincoln General Insurance Company

- a) Subject to 4 above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.
9. The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

Lincoln General Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY - PLEASE READ IT
CAREFULLY**

**CONTRACTORS AMENDATORY ENDORSEMENT
CLC-04/96**

EXCLUSION – SUBSIDENCE

This exclusion is in addition to those contained in the policy to which this endorsement is attached.

This insurance does not apply to any claim for "bodily injury", "property damage", "personal injury" or "advertising injury" caused directly or indirectly, based on or attributed to, arising out of, resulting from, or in any manner related to the subsidence of land or soil, and any such claim for loss is excluded regardless of any other cause or event contributing concurrently or in any sequence or manner to the loss.

As used herein, "subsidence of land or soil" shall mean earth or soil movement including but not limited to, landslide, mud flow, or sinking, rising, settling, cracking, shifting, expansion or contraction of the earth or soil, or any other movement of land or earth.

The Company shall not have any duty to defend such claim, proceeding or suit based on or attributable to, arising out of, resulting from or in any manner related to the subsidence of land or soil.

Lincoln General Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY - PLEASE READ IT
CAREFULLY**

**CONTRACTORS AMENDATORY ENDORSEMENT
CLC-06/96**

EXCLUSION – VARIOUS CAUSES OF LOSS

IT IS UNDERSTOOD AND AGREED THAT THIS INSURANCE DOES NOT
APPLY
TO :

1. "Bodily Injury" or "property damage" arising in whole or in part, either directly or indirectly out of asbestos or formaldehyde whether or not the asbestos or formaldehyde is:
 - a) Airborne as a fiber or particle
 - b) Contained in a product
 - c) Carried or transmitted on clothing or by any other means; or
 - d) Contained in or a part of:
 - i) any building
 - ii) any building material
 - iii) any insulation product; or
 - iv) any component part of any building, building material or Insulation product
2. "Bodily injury", "property damage" or "personal injury" arising out of or caused by lead, paint containing lead or any other material or substance containing lead; and
 - a). Any legal obligation of any insured for indemnification or contribution due to damages arising out of "bodily injury", "property damage" or "personal injury" caused by lead or any other substance or material containing lead; and
 - b) Any loss, cost, expense or damages arising out of any:
 - i) request, demand or order that any insured or others test for, monitor, clean-up, remove, abate, contain, treat or neutralize lead, paint containing lead or any other substance or material containing lead, or in any way respond to, or assess the effects of lead; or
 - ii) claim or suit relating to, testing for, monitoring, cleaning-up, removing, abating, containing, treating, or neutralizing lead, paint containing lead, or any other substance or material containing lead or in any way responding to or assessing the effects of lead.
 - c) "Bodily injury" from the transmission or the alleged transmission of any communicable disease or diseases.

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Lincoln General Insurance Company

- d) The Company shall not have any duty to defend any claim, proceeding or suit alleging any damages or actions excluded herein.

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Lincoln General Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY - PLEASE READ IT
CAREFULLY**

**CONTRACTORS AMENDATORY ENDORSEMENT
CLC-07/96**

EXCLUSION – ASSAULT & BATTERY, SEXUAL ABUSE

1. IT IS UNDERSTOOD AND AGREED this policy does not apply to "bodily injury", "property damage", "personal injury", or "advertising injury" arising out of:
 - a) the actual or threatened assault or battery by any insured or by anyone else for whom the insured is legally responsible
 - b) the actual or threatened verbal or physical abuse or molestation by anyone of any person
 - c) the failure of any insured or anyone else for whom the insured is legally responsible to prevent or suppress assault, battery, abuse or molestation
 - d) the negligent employment, investigation, supervision, training and retention of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by a), b) or c) above.
2. The Company shall not have any duty to defend any claim, proceeding or suit alleging damages arising out of any of the excluded causes herein, including but not limited to claims in which the insured, or anyone else for whom the insured is legally responsible, claims or alleges that the alleged injury resulted from the use of reasonable force to protect persons or property.
3. For purposes of this exclusion, Exclusion 2a "Expected or Intended Injury" under COVERAGE A BODILY INJURY AND PROPERTY DAMAGE of SECTION I COVERAGES is deleted in its entirety and replaced by the following:

a) Expected or Intended injury:

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured.

Lincoln General Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY - PLEASE READ IT
CAREFULLY**

**CONTRACTORS AMENDATORY ENDORSEMENT
CLC-17/99**

EXCLUSION - ANIMALS

This endorsement modifies insurance provided under the following:

CONTRACTOR'S GENERAL LIABILITY COVERAGE PART

IT IS UNDERSTOOD AND AGREED that this insurance does not apply to any "bodily injury", "property damage", "personal injury", or "advertising injury" that arises out of the ownership, care, custody, control, training or management of any animal or on behalf of any insured.

All other terms and conditions remain the same.

Lincoln General Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY - PLEASE READ IT
CAREFULLY**

**CONTRACTORS AMENDATORY ENDORSEMENT
CLC-19/99**

EXCLUSION - UNREPORTED WORK

This endorsement modifies insurance provided under the following:

CONTRACTOR'S GENERAL LIABILITY COVERAGE PART

IT IS UNDERSTOOD AND AGREED that this insurance does not apply to any "bodily injury", "property damage", "personal injury", or "advertising injury" that arises out of or resulting from "your work" or "your product":

1. From any class code not listed in the Declarations of this policy, if your work comprises more than 10% of your work over the term of this policy for such class code.
2. From any class code that comprises more than 10% of your work over the term of this policy and not reported to the company within 60 days from the time you engage in such work.

All other terms and conditions remain the same.

Policy Number: 6320004812 02

HAROLD B. NIELSEN INSURANCE AGENCY, INC.
PO BOX 6549
WESTLAKE VILLAGE CA 91359

ATTACHED ARE DOCUMENTS FOR THE FOLLOWING NAMED INSURED:

CRESCENT GLASS INC
74-866 LENNON PLACE SUITE B
PALM DESERT CA 92260

POLICY NUMBER: 6320004812 02

IL 09 85 01 03

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT OF 2002. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

**DISCLOSURE PURSUANT TO TERRORISM RISK
INSURANCE ACT OF 2002**

SCHEDULE*

Terrorism Premium (Certified Acts) \$ 0

Additional information, if any, concerning the terrorism premium:

*** Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.**

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act of 2002, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under that Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.



Policy Number
6320004812 02

COMMON POLICY DECLARATIONS **RENEWAL OF:**
6320004812 01
LINCOLN GENERAL INSURANCE COMPANY

Item 1. Named Insured and Mailing Address		Agent Name and Address	
CRESCENT GLASS INC 74-866 LENNON PLACE SUITE B PALM DESERT CA 92260		HAROLD B. NIELSEN INSURANCE AGENCY, INC. PO BOX 6549 WESTLAKE VILLAGE CA 91359	
		Agent No. 089163	
Item 2. Policy Period		From: 07-04-2006 To: 07-04-2007	
at 12:01 A.M., Standard Time at your mailing address shown above.			
Item 3. Business Description:			
Form of Business: CORPORATION			
Item 4. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.			
This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.			
Coverage Part(s)		Premium	
Commercial Property Coverage Part		NOT COVERED	
Commercial General Liability Coverage Part		\$ 10,099.00	
Commercial Crime Coverage Part		NOT COVERED	
Commercial Inland Marine Coverage Part		NOT COVERED	
Commercial Auto (Business or Truckers) Coverage Part		NOT COVERED	
Commercial Garage Coverage Part		NOT COVERED	
TAX OR SURCHARGE		\$ 100.00	
Total Policy Premium		\$ 10,199.00	
Item 5. Forms and Endorsements			
Form(s) and Endorsement(s) made a part of this policy at time of issue:			
See Schedule of Forms and Endorsements			

Countersigned:

Date: _____ By: _____
Authorized Representative

THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

CO-DEC (01/97)

A-000061

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CALIFORNIA DEPARTMENT OF INSURANCE RACE, NATIONAL ORIGIN & GENDER FORM

COMMUNITY SERVICE STATEMENT LINCOLN GENERAL INSURANCE COMPANY

_____ Policyholder Number (for New Business Only)

This information is requested by the state of California in order to monitor the insurer-s compliance with the law. All new policyholders are requested to voluntarily provide the following information.

No such information shall be used for purposes of underwriting or rating any policyholder.

Policyholder CRESCENT GLASS INC
74-866 LENNON PLACE SUITE B
PALM DESERT CA 92260-

Policy Type

<input type="checkbox"/> Fire Personal	<input type="checkbox"/> Fire - Commercial
<input type="checkbox"/> Homeowners	<input type="checkbox"/> Commercial Multi Peril
<input type="checkbox"/> Private Passenger Auto Liability	

* If a policyholder does not wish to provide the Department of Insurance with this information, please check here. ____

Check the Race or National Origin as it applies to the policyholder(s). For the purpose of completing this form, the policyholder is defined as: individual, spouse, domestic partner, or business partner(s) named on the policy.

African-American
 American Indian or Alaskan Native
 Asian /Pacific Islander
 Latino
 White
 Other (specify):

Policyholder
Male/Female/Business

Co-Policyholder
Male/Female/Business

Edition: 2003